

To Gain Popular Acceptance of RCBI, Draw a Direct Line Between Investors and Their Contributions

Krakat, Michael B.

Published in:
Investment Migration Insider

Licence:
CC BY-NC-ND

[Link to output in Bond University research repository.](#)

Recommended citation(APA):
Krakat, M. B. (2021). To Gain Popular Acceptance of RCBI, Draw a Direct Line Between Investors and Their Contributions. *Investment Migration Insider*. <https://www.imidaily.com/due-process/to-gain-popular-acceptance-of-rcbi-draw-a-direct-line-between-investors-and-their-contributions/>

General rights

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

For more information, or if you believe that this document breaches copyright, please contact the Bond University research repository coordinator.

Local-global links beyond the transaction: RCBI as direct investments into things that matter

NOTE: This short article was also edited and published at the Investment Migration Insider, with the following title reference:

‘To Gain Popular Acceptance of RCBI, Draw a Direct Line between Investors and Their Contributions’ (2021) August 24th, available at <https://www.imidaily.com/due-process/to-gain-popular-acceptance-of-rcbi-draw-a-direct-line-between-investors-and-their-contributions/>.

Michael B. Krakat

Residence- and Citizenship by Investment (RCBI) cannot avoid to being conflated with matters of identity or morals. Rather than antagonizing those who mischaracterize the transactional laws with citizenship’s identity side, the commercial sale of passports can heighten sales as well as the morale of the transaction, feeding two birds with one stone (being the vegan version of ‘killing two birds with one stone’).

For sustainable immigration investment enjoying local-global acceptance, the money trail of the investment should be transparent at all times. Migration related investments should be direct rather than abstract. Based on investment migration examples such as UK, US, New Zealand or Australia, other places with residence and/or citizenship by investment options (RCBI) could benefit from direct investment in particular business enterprises or property. This type of investment could then extend into other projects, creating special links between the investor and matters of particular relevance to the selling polity.

In my [writings](#) or at the Investment Migration Council’s pre-COVID academic days, I have long been arguing that these extended links, beyond businesses or property, could entail any and all matters local and global, assisting to making both the passport or visa investor and the selling country good global citizens, making RCBI more sustainable. This could go so far to invest in precious musical instruments, artwork, matters of mainly national, or both national-global interest. Whatever the focus of the investment will attach to both the passport selling polity in a way showcasing an interest in things that matter, as well as in the readiness of the investor to becoming associated with issues of relevance. For Vanuatu, I have been arguing that direct conservationist investment into local businesses such as cyclone shelter or water purification or lagoon cleansing, and other matters pertaining to flora and fauna conservation should become considered (for example, the [Dugong Sea Cow preservation project](#)). These are local matters that find their expression also in the UN’s global sustainability goals, including sustainable migration as such. In this way, a passport purchaser may choose to become publicly associated with things that matter most, whether such choice is in addition to the

initial price, such as modelled on carbon offset donations, or is included or completely forms that price in its entirety.

The name of the investor could become linked to a particular project of generally accepted or acceptable relevance. Such investor would no longer be faceless as the revenue would no longer be abstractly generated into government coffers but become purposefully assigned to particular projects.

There could even be a choice of project for the purchaser at the time of purchase. In other words, the visa- or citizenship purchaser could choose at the time of transaction with which project the purchase and their name(s) should become associated if the information is made public.

Of course, in high-tier citizenship by discretion such as in Peter Thiel's New Zealand passport purchase, the bundle of investments, donations and commitments, are more individualized than the more transactional and abstract purchase in citizenship by investment (CBI). It is this fact that CBI itself cannot readily be viewed as donation in and of itself. Where the costs and requirements are clearly advertised, and a purchaser is found responding to the invitation to contract (in Latin, *invitatio ad offerendum*), then a contract forms and there is a commercial transaction rather than a donation which has the character of a (non-refundable) gift. CBI is an exchange, and not a donation. Unlike discretionary and highly individualised CBD, CBI is, generally, available to anyone able to pay the price and coming with a clear record.

What is then often problematic with CBI is the things associated with it, including its potential abstraction including processes removed from scrutiny and transparency. This does not merely being less tangible than ordinary, year-long naturalization: It is in the abstraction of the purchaser, who may be viewed as faceless investor, the process of citizenship conflated with political-moral identity that is traded or commoditized, and, finally, the arrival of the funds and their designation to the general revenue or, at worst, their potential or actual misappropriation.

At the same token, what is publicly associated with RCBI is what matters most. It is its reputation that will determine its continuing function as a system pertaining to personal choice in global mobility and relocation. Local-global links beyond the transaction matter: RCBI as direct investments into things that matter can become the next level of sustainable investment, from both individual perspectives as well as the lens of public acceptance.

The opinion and acceptance of RCBI in the eyes of the existing citizenry of other direct investors or those ordinarily naturalized or born in the polity as well as the world at large matters, whether the industry likes it or not. The holistic perspective toward RCBI is suggested since 2018 will extend RCBI beyond elitism, but will certainly not take away from RCBI's valuable individualist, at times, libertarian perspective that can in this way be placed in essential balance with collective utilitarianism.

What I suggest, in other words, does not mean to collectivize RCBI, but rather to create references that heighten the understanding of RCBI as transparent and valid means to valid ends, not taking away from the spirit or RCBI individualism. Political goodwill is needed for making much needed decisions in RCBI reform, bringing RCBI to the next level and extending its scope.

End of Article

Contact: michael.krakat@usp.ac.fj.